FABRIQUE EBEL SOCIETE ANONYME

v.

SYKT. PERNIAGAAN TUKANG JAM CITY PORT & ORS.

HIGH COURT MALAYA, KUALA LUMPUR
ZAKARIA YATIM J
[CIVIL SUIT NO. C596 OF 1984]
25 MAY 1987

TRADEMARKS: *Claim for infringement of trade mark and passing off - Summary judgment for injunction to restrain defendants from infringing trade mark - Comparison of registered trade mark and offending mark trade - Offending mark used in course of trade - Use of offending mark likely to be taken as registered trade mark.*

CIVIL PROCEDURE: *Summary judgment - Order for injunction allowed - Judgment may be entered in respect of any claim without having to proceed on all the claims - Affidavit in reply and statement of defence must contain sufficient particulars instead of bare denial.*

This was an application for summary judgment under O. 14, Rules of the High Court 1980 against the first, second, third, fourth and fifth defendants for an injunction to restrain them from infringing the plaintiffs trade mark, for the delivery and destruction of all goods and articles which would infringe the trade mark and for damages. In the statement of claim, there was also a claim for passing off. The plaintiff which was a foreign company was the registered proprietor of the trade mark under the Trade Marks Act 1976. Affidavits affirmed by the plaintiffs' investigator showed that there had been an infringement of the trade mark. There was an earlier application for an interim injunction and an Anton Piller order which was allowed. The affidavits filed by the first and second defendants merely stated that there were numerous triable issues of facts and law but they did not contain any particulars. The first, third and fourth defendants filed a statement of defence which was a bare denial. The third defendant did not file any affidavit in reply.

Held:

[1] The Court has jurisdiction to enter summary judgment under O. 14, Rules of the High Court 1980 for an injunction. Further, summary judgment may be entered against any claims without having to proceed on all the claims included in the statement of claim.

[2] From the facts stated in the affidavit in support of the application for summary judgment, it was proved that there had been an infringement of the trade mark which belonged to the plaintiff by the defendants as provided by s. 38(1)(a), Trade Marks Act 1976. The following requirements had been satisfied, namely the defendants had used the mark which was identical with the plaintiff's mark. The offending mark had been used by persons who were not authorised, the defendants used the offending mark in the course of trade, the defendants used the offending mark in relation to goods in respect of which the trade mark was registered and the defendants had used the offending mark in such a manner as to render the user as a trade mark. Before the Court could grant the order, it had to compare the registered trade mark and the offending mark. That was done in the earlier application for an interim injunction and for an Anton Piller order.

[3] The defendants did not disclose any triable issues in the affidavit and in the statement of defence. Their defence was a bare denial without giving any particulars.

[Application allowed with costs.]

Cases referred to:
Shell-Mex and BP Ltd. v. Manchester Garages Ltd. [1971] 1 All ER 841
Bank Bumiputra Malaysia Bhd. & Anor. v. Lorrain Osman & Ors. [1985] CLJ (Rep) 409
Coca-cola Company v. William Struthers and Sons Ltd. [1968] 71 RPC 231
Harker Stagg Limited's Trade Mark [1954] 71 RPC 136
John Wallingford v. The Directors of the Mutual Society [1880] 5 AC 685

Legislation referred to:
Rules of the High Court 1980, O. 14
Trade Marks Act 1976, s. 38(1)(a)

Other sources referred to:
The Supreme Court Practice, 1985 pp 132 & 134

For the Plaintiff : Lee Tatt Boon; Skrine & Co
For the first, third and fourth defendants - Saran Singh; M/s. Saran Singh & Co.
For the second and fifth defendants - S.C. Kwok; M/s. Kwok & company.

JUDGMENT

Zakaria Yatim J:

This is an application by the plaintiff for final judgment under O. 14 of the Rules of the High Court 1980 against the first, second, third, fourth and fifth defendants for an injunction to restrain the defendants and each of them whether acting by themselves, their partners or proprietors (as the case may be), servants or agents or otherwise however from infringing the plaintiff's registered Trade Mark No. M/B41437. The plaintiff also asks the Court for an order for the delivery up or destruction upon oath of all goods and articles in the possession, power, custody or control of each of the defendants, the manufacturer, use or sale by any of the defendants that would offend against the injunction. The plaintiff further asks the Court to order an enquiry to be made as to what damages (if any) have been sustained by the plaintiff by reason of the wrongful acts by each of the defendants and payment to the plaintiff of all sums found due upon taking such enquiry. The plaintiff also asks that the defendants pay to the plaintiff costs of this action and of this application to be taxed.

The plaintiff is a company incorporated under the laws of Switzerland and having its registered office at No. 133 rue de la Paix, La chaux-do-Fonds, Switzerland which territory is outside the scheduled territories as defined by the Exchange Control Act 1953. In the statement of claim the plaintiff avers that it is the proprietor of the Trade Mark "EBEL" with device was registered under No. M/B41437 in Malaysia in respect of watches and parts thereof. The said mark has at all material times been valid and subsisting.

The first defendant carries on business as a firm at Ground Floor, Jalan Chow Kit, Kuala Lumpur selling, *inter alia*, watches. The second defendant carries on business as a firm at L9091, Sungei Wang Plaza, Kuala Lumpur and is engaged in the manufacture and sale of watches and/or components thereof. The third defendant carries on business as a firm at Ground Floor, I-C, Jalan Chow Kit, Kuala Lumpur and is engaged in the manufacture and sale of watches. The fourth defendant is engaged either on his own account or as agent for the first defendant in the sale of watches. The fifth defendant is engaged either on his own account or as agent for the second defendant in the sale of watches.

In para. 6 of the statement of claim the plaintiff alleges that the defendants and each of them have since the registration of the said Trade Mark and before the issue of the writ in the present action, infringed the registered Trade Mark "EBEL"' by using in the course of trade in Malaysia in relation to watches not the watches of the plaintiff, the plaintiff's registered Trade Mark "EBEL" or colourable imitation thereof. The plaintiff also alleges that the use of the imitation watches is calculated to be passed off as and for the watches of the plaintiff. The plaintiff claims that it had suffered loss and damage. The prayers contained in the application for summary judgment are also included in the statement of claim.

It is clear that the Court has jurisdiction to enter summary judgment under O. 14 of the Rules of the High Court for an injunction. In *Shell-mex and BP Ltd. v. Manchester Garages Ltd.* [1971] 1 AER 841 at 842j to 843a and 845 f-g, Lord Denning, MR said,

> I see no reason whatever why a plaintiff cannot go straight to the Judge and ask for summary judgment under RSC O. 14 for an injunction ... The plaintiffs were quite entitled to go under RSC O. 14 to the Judge for an injunction.

Mr. Lee Tatt Boon, Counsel for the plaintiff said that he was asking for summary judgment for injunction in respect of infringement only and not in respect of passing-off. In the statement of claim, the plaintiff is praying for injunction in respect of both infringement and passing-off. Mr. Lee submitted that he was entitled to ask the Court for summary judgment for injunction in respect of infringement only. I agree with Mr. Lee's submission. Order 14 r. I of the Rules of the High Court 1980, enables the plaintiff to proceed under O. 14 on one or more of several claims included in the writ, instead of having to proceed on all the claims included in the writ. See *The Supreme Court Practice* 1985, Vol. 1, p. 132.

In order to succeed in its application for summary judgment under O. 14, the plaintiff must satisfy three conditions as laid down in O. 14. Firstly, the defendants must have entered appearance. Secondly, the statement of claim had been served on the defendants. Thirdly the application for summary judgment must be supported by affidavit.

With regard to the first condition, it is clear that the first, third and fourth defendants had filed their memorandum of appearance in the Court's Registry on 5 May 1984. The second and fifth defendants filed their memorandum of appearance on 22 March 1984.

The next question is whether the statement of claim had been served on all the six defendants. In his affidavit affirmed on 12 June 1984, Mr. Ho Kam Phaw, a legal assistant employed by the firm of solicitors representing the plaintiff, averred that on 13 March 1984 he and, two others from the same firm of solicitors visited the premises of the first defendant and met a lady, Madam Tham Yin May who was in charge of the business at the premises. Mr. Ho served, *inter alia* the writ of summons and the statement of claim on Madam Tham, who accepted service of the documents. Mr. Ho explained the contents of the documents to her.

Mr. Ho further averred that on 21 March 1984 he visited the same premises and there he met the fourth defendant. He served the same documents including the writ of summons and the statement of claim on the fourth defendant and explained the contents of the documents to him. In another affidavit affirmed on 12 June 1984, Mr. Kok Chee Kheong, another legal assistant from the same firm of solicitors averred that on 13 March 1984 he went to the premises of the second defendant and served on the representative of the second defendant the writ summons, (The writ of summons and the statement of claim in this action form one document). Mr. Kok then explained to her the contents of the documents served on her. In another affidavit affirmed on 26 April 1984 by Encik Shamsul Bahrain, another legal assistant from the same firm of solicitors, the deponent averred that on 13 March 1984, he served a

copy of the writ of summons on a person who was in control of the management of the business of the third defendant at the principal place of business of the third defendant. The fifth defendant was served with a copy of the writ of summons in this action and other documents on 13 March by a legal assistant from the same firm of solicitors. The contents of the said documents were explained to the fifth defendant. See the affidavit of Mr. Yip Fook Thai affirmed on 12 June 1984. From the affidavits I have referred to, it is evident that the statement of claim had been duly served on the first, second, third, fourth and fifth defendants.

With regard to the third condition, the plaintiff filed an affidavit in support of the application for summary judgment. The affidavit was affirmed by Mr. Lee Tatt Boon on 13 June 1984. In his affidavit, Mr. Lee averred that he was authorised by the plaintiff to affirm the affidavit. In para. 2 he stated that the plaintiff's application for summary judgment was in respect of trade mark infringement. He averred that the plaintiff was at the commencement of this action justly and truly entitled to the injunction referred to in the statement of claim for the infringement of the plaintiff's registered trade mark by the defendants. He then referred to the plaintiff's claim in respect of trade mark infringement by the defendants as set out in the statement of claim. In para. 4 he averred that he verily believed that infringement of the plaintiffs trade mark.

In my view, Mr. Lee's affidavit has complied with the requirements of r. 2 of O. 14. See *The Supreme Court Practice*, 1985 *supra*. p. 134. In his affidavit he verified the facts on which part of the claim to which the application relates is based. He also stated his belief that there was no defence to the plaintiff's claim for infringement.

I shall now examine the merits of the application.

The plaintiff was the registered proprietor of trade mark "EBEL" with device registered under No. MB41437 in the Federation of Malaya in Class 14 in respect of watches and parts thereof. The said mark was renewed till 11 March 1985 and was at all material times valid and subsisting. The question for the Court to consider is whether the plaintiff's case on infringement of its trade mark had been made out?

The relevant provision of the law relating to infringement of trade mark is s. 38(1)(a) of the Trade Marks Act 1976, The section states:

> A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either:
>
> (a) as being used as a trade mark.

In order to establish infringement of a trade mark under s. 38(1)(a), the plaintiff has to satisfy the following five requirements:

(1) The defendants used the mark identical with the plaintiff's mark.

(2) The offending mark used by persons who have not been authorised or licensed by the plaintiff.

(3) The defendants were using the offending mark in the course of trade.

(4) The defendants used the offending mark in relation to goods in respect of which the trade mark is registered.

(5) The defendants used the offending mark in such a manner as to render the use of the mark to be taken as being likely used as a trade mark.

With regard to the first requirement the question is whether the defendants used the mark identical with the plaintiff's mark "EBEL"? According to the plaintiff's affidavit affirmed on 12 March 1984, the plaintiff's investigator visited the first defendant's premises at Ground Floor, 18, Jalan Chow Kit, Kuala Lumpur on 28 February 1984. A meeting was held between the investigator and the fourth defendant. At the meeting reference was made to some watches on display at the window. None of the watches were found to depict any brand names although the designs were identical to models recognized as "Dunhill", "Longines", "St. Dupont", "Omega" and "EBEL" The fourth defendant told the investigator that trade marks could be applied to the watches, including the trade mark "EBEL". The fourth defendant promised to supply samples of watches with "EBEL" trade mark. The following day the fourth defendant produced to the investigator two samples of watches depicting the "Ebel" trade mark. The fourth defendant admitted that the task of applying the trade mark was given to small printing companies. The affidavit further stated that on 18 February 1984, the investigator visited the third defendant's premises at Ground Floor; 1-C, Jalan Chow Kit, Kuala Lumpur. A meeting was held with the wife of the sixth defendant. She showed the investigator a watch with the mark "EBEL". The next day the investigator obtained two samples of watches bearing the "EBEL" trade mark from the wife of the sixth defendant. The watches bearing the said mark were found to be counterfeit. She said she could supply unlimited quantities of such watches. But she refused to reveal the identity of the sub-contractors who printed the mark. She said that stringent precaution had to be taken in the event of legal action. According to the affidavit, the plaintiff's investigator went to visit the second defendant on 27 February 1984. The second defendant's stall was situated outside 468, Jalan Tuanku Abdul Rahman, Kuala Lumpur where a wide range of watches were displayed including those depicting the mark "EBEL". The agent also found several watches from the fifth defendant including watches depicting the mark "EBEL". All these watches were counterfeit.

With regard to the second requirement, para. 45 of the same affidavit stated that "though the said watches all bear the plaintiff's trade mark "EBEL" they are not the watches of the plaintiff and neither are they manufactured by the plaintiff." All the plaintiff's watches have their own identification marks such as the model and serial numbers on the back of the case. From the plaintiff's affidavit it is implicit that the defendants had not been authorised or licensed by the plaintiff to use the trade mark on counterfeit watches.

With regard to the third and fourth requirements, it is clear from the plaintiff's affidavit that the defendants used the offending mark in the course of trade. The investigator bought the counterfeit watches from the defendants. From his investigation he discovered that the defendants had large supplies of the counterfeit watches for sale at a very cheap price. The offending mark was found only on watches. The certificate from the Trade Mark Registry dated 6 March 1984 clearly states the plaintiff's mark "EBEL" is used in respect of watches manufactured by the plaintiff.

With regard to the fifth requirement, it is clear from the affidavit and the documents exhibited thereto that the defendants used the mark "EBEL" on their counterfeit watches in such a manner as to render the use of the mark as being used as a trade mark.

Perhaps I should mention here that on 13 March 1984, on the *ex parte* application by the plaintiff, I granted an order of interim injunction and an Anton Piller order against the defendants. The defendants applied to set aside the *ex parte* order but their applications were dismissed with costs on 18 October 1985. When I granted the Anton Piller order, I was

satisfied that the plaintiff had a strong *prima facie* case against the defendants. It is essential that in granting an Anton Piller order the Court must be satisfied that the plaintiff has established a strong *prima facie* case against the defendants. See *Bank Bumiputra Malaysia Bhd. & Anor. v. Lorrain Osman & Ors.* [1985] CLJ (Rep) 409.

So far, on the question of infringement, I have relied on affidavit evidence. Since the plaintiff is applying for summary judgment against the defendants on an action for infringement, comparison must be made between the plaintiff's registered mark and the mark used by the defendants. *Coca-Cola Company v. William Struthers and Sons Ltd.* [1968] 71 RPC 231. Since the Court has to decide whether there is infringement or not in the instant case, it is the duty of the Court to make the comparison. See *Harker Stagg Limited's Trade Mark* [1954] 71 RPC 136.

During the hearing of this application in open Court, I did in fact examine and compare the plaintiff's watch with the registered trade mark "EBEL" with the defendants watch bearing, the same mark. The following is my finding: On the plaintiff's watch below the Roman figure X11 is the logo and the word "EBEL". The defendant's watch bears the same logo and mark with the word quartz. At the back of the defendants' watch I found no mark or words written on it. At the back of the plaintiff's watch the model number and the serial number are written on it. In front of the plaintiff's watch there are five screws, whereas the defendants' watch has only four screws. On the buckle of the plaintiff's watch there is a logo but there is no such mark on the defendants' watch.

Having made the comparison and having considered the evidence contained in the affidavits, I am satisfied that the defendants had infringed the plaintiff's registered trade mark under s. 38(1)(a) of the Trade Marks Act.

The question for the Court to consider now is whether the defendants have shown that they have an arguable case in their defence.

The first and fourth defendants filed an affidavit affirmed on 11 August 1986. In this affidavit the two defendants merely denied that they dealing in counterfeit watches. They stated that they had a good defence and that "there are numerous triable issues of fact and law," but they did not state what the "good defence" was or what the "numerous triable issues" were. In this affidavit the two defendants referred to their earlier affidavit affirmed on 7 July 1984. This earlier affidavit merely contained denials by the first and fourth defendants. The affidavit made no reference to paras. 42, 43 and 44 of the plaintiff's affidavit affirmed on 12 March 1984. In these paragraphs the plaintiff averred that its investigator visited the fourth defendant's business premises and met the fourth defendant, who admitted that he was dealing with counterfeit watches bearing EBEL mark. In para. 18 of the defendants' affidavit, the first and fourth defendants merely denied all the allegations made against them. In my opinion, these two affidavits do not raise any arguable case at all. They do not contain any particulars at all. In *John Wallingford v. The Directors of the Mutual Society*, [1880] 5 AC 685, Lord Blackburn, in his judgment at p. 704, said,

> I think that when the affidavits are brought forward to raise that defence, they must, if I may use the expression, condescend upon particulars. It is not enough to swear, "I say I owe the man nothing" Doubtless, if it was true, that you owed the man nothing, as you swear, that would be a good defence. But that is not enough. You must satisfy the Judge that there is reasonable ground for saying so. So again, if you swear that there was fraud, that will not do. It is difficult to define it, but you must give such an extent of definite facts pointing to the fraud as to satisfy the Judge that those are facts which make it reasonable that you should be allowed to raise that defence. And in like manner as to illegality, and every other defence that might be mentioned.

So looking at the affidavits (they are very long and I will not go through them) which were used before Mr. Justice Manisty, I think that in none of those particulars did the appellant satisfy the burden that was cast upon him. He makes general statements of fraud, but nowhere does he condescend upon any particular of fraud, such as in my mind, if I had been in Mr. Justice Manisty's place, would have made me think that it was at all fit that he should be allowed to depend upon that ground. There are long statements resulting in saying that this society was illegal upon various grounds, which I cannot follow at all. One ground, among others, is, because there was a drawing of lots on one occasion, therefore it was illegal as coming under the Lottery Acts. I cannot think that that was a good ground of defence.

The third defendant did not file an affidavit in reply to the plaintiff's application for summary judgment. He filed an affidavit earlier on in support of his application to set aside the injunction and the Anton Piller order. The third defendant cannot rely on this affidavit now as no notice had been given under O. 32 r. 13(b) of the Rules of the High Court. In any event this affidavit is a bare denial against the allegations made against the third defendant. It has not disclosed any arguable case.

The first, third and fourth defendants filed a statement of defence on 7 July 1984. Here again, the defence is a bare denial of the allegations made by the plaintiff. There is absolutely no issue raised in the defence for trial.

The second and fifth defendants filed an affidavit affirmed on 31 December 1984. This affidavit, too, is a bare denial of the plaintiffs allegations: They denied having infringed the plaintiffs trade mark, they denied manufacturing counterfeit watches. Attached to this affidavit is a draft statement of defence by the second and fifth defendants. Here again the statement of defence contains a bare denial.

From the affidavits and the statement of defence filed by the defendants, they have not disclosed any triable issue at all. Their defence is a bare denial without giving any particulars at all. See *John Wallingford's* case *supra*.

In the circumstances, I allow the plaintiff's application for final judgment under O. 14, against the first, second, third, fourth and fifth defendants for:

(1) an injunction to restrain the said defendants and each of them whether acting by themselves, their partners or proprietors, servants or agents or otherwise howsoever from infringing the plaintiff's registered trade mark no. M/B 41437;

(2) for the delivery up or destruction upon oath of all goods and articles in the possession, power, custody or control of each of the defendants, the manufacture, use or sale of which by any of the defendants would offend against the foregoing injunction.

(3) that an enquiry be made as to what damages (if any) have been sustained by the plaintiff by reason of the wrongful acts by each of the five defendants and payment to the plaintiff of all sums found due upon taking such enquiry; and

(4) the defendants will pay to the plaintiff costs of this action and of this application.

Also found at [1989] 1 CLJ 919